

TOWN OF GRANGER
Yakima County, Washington
January 1, 1991 Through December 31, 1992

Schedule Of Findings

1. Citation Accountability Should Be Maintained

Our audit of the Town of Granger Police Department determined that citations are not being adequately accounted for. Prior audits of the department identified an adequate system of accountability, however, procedural changes have resulted in the lack of numeric filing of citations, the lack of records documenting the issuance of citation books to officers, and the discarding of spoiled citations.

Revised Code of Washington (RCW) 46.64.010 states in part:

The chief administrative officer of every traffic enforcement agency shall require the return to him of a copy of every traffic citation issued by an officer under his supervision to an alleged violator of any traffic law or ordinance and of all copies of every traffic citation which has been spoiled or upon which any entry has been made and not issued to an alleged violator.

It shall be unlawful and official misconduct for any traffic enforcement officer or other officer or public employee to dispose of a traffic citation or copies thereof or of the record of the issuance of the same in a manner other than as required herein.

The police chief indicated that he was unaware of the legal requirements for citation accountability.

The above conditions are contrary to the requirements cited and increase the risk that errors or irregularities could occur and not be detected by department personnel in a timely manner.

We recommend that citation accountability be maintained including ensuring that citations have been received by the court.

2. Changes In Contract Requirements Should Be Documented

In 1991, the Town of Granger entered into a construction contract for improvements to its wastewater treatment plant. The contract and related change orders specified completion of the project within 103 working days of September 9, 1991, or February 6, 1992. However, the work wasn't substantially complete until March 31, 1992.

Contract provisions include the following:

If said work is not completed within the time specified, the CONTRACTOR agrees to pay to the OWNER the sum of \$315 dollars for each and every day said work remains uncompleted after the expiration of the specified time, as liquidated damages.

Town officials and the project engineer indicated that an oral agreement had been made with the contractor not to impose the penalties because of delays by suppliers in the delivery of materials, weather conditions, and other causes. This concession, however, was not documented to evidence the agreement reached between the contracting parties.

We recommend that town personnel document future changes in contract requirements.

3. Accounts Receivable Controls Should Be Improved

During our audit of the Town of Granger's water-sewer accounts receivable system we noted that the system's control total does not agree with the system's detailed aged accounts report. As a result, the control total is misstated and is not providing the control features it is intended for.

Failure to maintain a control total over accounts receivable results in a significantly greater risk that errors or irregularities could occur and not be detected by city personnel in a timely manner. Consequently, we consider these conditions to be a material weakness in the internal control structure of the town.

We recommend that town personnel improve controls for the accounts receivable system.

4. Current Expense Fund Should Adequately Pay For Utility Services

During our audit we determined that the Town of Granger's Current Expense Fund does not pay sufficient utility charges to the Water-Sewer Fund for utility services provided to the town hall or pool. We estimated that the water-sewer service provided to the pool alone, was at least \$1,200 for the audit period.

Revised Code Of Washington (RCW) 43.09.210 states, in part:

All service rendered by, or property transferred from, one department . . . to another, shall be paid for at its true and full value by the department . . . receiving the same, and no department . . . shall benefit in any financial manner whatever by an appropriation or fund made for the support of another.

Town officials stated that they were unaware that the Current Expense Fund was not being billed for utility services.

The above conditions resulted in the Current Expense Fund benefiting at the expense of the Water-Sewer Fund.

We recommend the Current Expense Fund adequately pay the Water-Sewer Fund for utility services received.

5. Petty Cash Fund Disbursements Should Be Limited To Authorized Amounts And Receipts Should Be Deposited Intact

The town maintains a Petty Cash Fund within the cash drawer used for cash receipt collections. At the time of our audit, the amount of unreplenished disbursements from the Petty Cash Fund exceeded its authorized amount by \$92.46. As a result, daily cash receipt collections were used to pay this excess amount and receipts were not deposited intact, as they were received. We also noted this condition in our prior audit.

The disbursement of cash receipts results in an increased risk that errors or irregularities could occur and not be detected by town personnel in a timely manner.

We recommend that Petty Cash Fund disbursements be limited to authorized amounts and cash receipt collections be deposited intact.